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PART III.

Legislative Measures and Rules thereunder.

Notification No. Fl. 3137—*B.* 48-07-10, *dated* 30*th December* 1907.

The following draft rules proposed to be issued under the Mysore Co-operative Societies Regulation, III of 1905, are published for general information. The draft will be taken up for consideration on or after the 1st day of February 1908.

All criticisms and suggestions received within this date will be duly considered.

By Order,
C. S. BALASUNDARAM IYER,
Offg. Secy. to Govt., Gen. & Rev. Depts.

RULES FOR MAKING LOANS FROM STATE FUNDS TO CO-OPERATIVE SOCIETIES IN THE MYSORE STATE.

Amount of advance.

1. (1) Loans from State Funds not exceeding Rs. 2,000 in any case may be made to any Co-operative Society at least one-half of the members whereof are agriculturists.

(2) The amount advanced to any society shall not exceed the paid-up share capital of the society.

Interest on advances.

2. All advances to a society shall be free of interest for the first two years and will afterwards, subject to Rule 8 (1), bear interest at 5 per cent per annum.

Instalments for repayment.

The advances shall be repayable in not more than three annual instalments commencing after the lapse of two years after the grant of the advance.

Application for an advance.

3. A society requiring an advance shall submit to the Registrar an application in Form A annexed to these rules.

4. The Registrar after satisfying himself as to the correctness of the statements made in the application, may sanction the payment of advances from any treasury or sub-treasury, and may prescribe the number of instalments of repayment and the dates on which each instalment is to be repaid.

Power to sanction advances and prescribe instalments for repayment.

Provided that, without the special sanction of the Revenue Commissioner, no advance sanctioned by the Registrar shall exceed Rs. 250.

5. (1) If the Registrar sanctions an advance, his sanction shall be conveyed in an order in Form B annexed to these rules.

Order sanctioning advance.

(2) The Registrar shall send the original order to the society; a duplicate copy to the Comptroller for issue of order of payment to the treasury concerned.

6. (1) Payment of any advance so sanctioned shall be made to the persons authorised to receive the advance on behalf of the Society, on their producing the Registrar's order at the treasury named therein, and executing an agreement in duplicate in Form C annexed to these rules.

Payment of advance.

(2) When payment of an advance has been made, the original agreement shall be sent to the District Treasury for safe custody and the copy forwarded to the Registrar.

7. (1) The Registrar may, if sufficient cause is shown, and if all interest due has been paid, suspend the repayment of any instalment.

Power to suspend repayment of instalment.

(2) Whenever the Registrar makes an order of suspension, he shall forthwith send a copy thereof to the Deputy Commissioner of the district and to the Comptroller.

(3) When an order of suspension is made in respect of any instalment, the repayment of that instalment and of all subsequent instalments shall be postponed for one instalment period.

8. (1) If any instalment due from any society is not fully repaid on the due date, interest at 6 per cent per annum to the date of repayment shall be recoverable on the amount overdue, unless the Registrar by special order exempts the society from this liability. Such orders are to be formally reported for the approval of the Revenue Commissioner.

Procedure where instalment not repaid on due date.

(2) The Deputy Commissioner to whom any instalments are repayable shall give prompt notice to the Registrar of any default in repayment of any instalment.

FORM A.

Application for an advance from the Government.

1. We, the undersigned, being duly empowered in this behalf by *the Committee of**.....Co-operative Society, Limited., apply for an advance of Rs.....(in words)..... .....from the Government, to be paid at the .....Treasury.

*If the by-laws of the society do not empower the committee to borrow money on behalf of the society, these words should be deleted.

2. The amount of capital raised as shares, or as deposits received from members, is Rs.....(in words).....

3. We request that the advance may be made repayable at the..... Treasury in.....annual instalments, the date of payment in each year being

4. Particulars of the indebtedness of the society are as follows:—

(*a*) Due to members on account of deposits,.....rupees.

(*b*) The amount borrowed from other sources, and the interest payable on each amount borrowed are as under—

Amount borrowed	From whom	Rate of interest	Condition as to repayment

5. We attach hereto a copy of the resolution of the Committee / Society authorizing the taking of an advance from the Government and specifying the members of the Committee who may, in conjunction with the Secretary, receive the amount and enter into an agreement with the Government for its repayment.

Dated.....

Signature of Secretary .....

Signature of three members.....

To

The Registrar, Co-operative Societies.

FORM B.

Order sanctioning an advance by the Government.

Registrar's No.....

1. Sanction is accorded to the payment of an advance of Rs..... .... (in words) from the.....Treasury to the undermentioned society subject to the following conditions as to repayment :—

Name of society..... .....

Registered address.....

Number of annual instalments of repayment..... ....

Date on which each instalment is to be recovered.....

2. The date on which the society was registered is the..... and the advance is free of interest for two years from that date.

3. The budget allotment for such advances in the year 190 is Rs..... The aggregate amount of advances hitherto sanctioned during the year is Rs.....

4. The persons recognized as authorized by the society to enter into an agreement for repayment of the advance are the Secretary and any three of the members of committee named below—

Name of Secretary.....

Names of members (1).....
(2).....
(3).....
(4).....

Registrar, Co-operative Societies.

FORM C.

Agreement to be executed on behalf of a Co-operative Society obtaining an advance from the Government.

We, the undersigned, being duly empowered in this behalf by the *Committee of** the.....Co-operative Society..... .....under the by-laws of the society, acknowledge to have received from the Government the sum of Rs.....as an advance to that society; and we undertake on behalf of the society to repay the said advance, with interest, in the following..... .....instalments, each instalment being payable on the date shown opposite thereto:—

*If the by-laws of the society do not empower the committee to borrow money on behalf of the societys, these words should be deleted.

Principal	Interest	Total	Date
1			
2			
3			
4			
5			

2. We further agree to pay interest at 6 per cent per annum on any instalment or portion of an instalment which is not paid on due date, such interest to run from due date to date of payment.

3. We declare that, since the application in Form A was submitted to the Registrar, the society's indebtedness either to members or to non-members, has not increased otherwise than by the accrual of interest on debts specified in the application.

Date.....

Signatures (1).....
(2).....
(3).....
(4).....

Witnesses' signatures (1).....
(2).....